

## Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 SAJ-01 AEC-05 AID-05 CEA-01

CIAE-00 CIEP-01 COME-00 DODE-00 EB-07 FEAE-00 FPC-01

H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03

RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-01 PA-01 USIA-06 PRS-01 NEA-09 /109 W

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R 151723Z JAN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 7268

INFO AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L SECTION 01 OF 02 BONN 00695

E.O. 11652: GDS

TAGS: ETRD, ENRG, GW, CH

SUBJECT: REPORTED OFFER OF PRC OIL TO THE FRG

REF: STATE 7360

1. BEGIN UNCLASSIFIED. THE FRANKFURTER ALLGEMEINE ZEITUNG PUBLISHED AN ARTICLE ON NOVEMBER 22, 1974 BY ITS PEKING CORRESPONDENT ULRICH GRUDINSKI ENTITLED "CHINESE OIL FOR GERMANY'S LAMPS?" DESPITE THE TITLE, THE PRIMARY FOCUS OF THE ARTICLE IS ON THE PRC'S OIL POLICIES WORLDWIDE. IN ADDITION TO GERMANY, THE ARTICLE REFERS TO POSSIBLE SALES TO AUSTRALIA, NEW ZEALAND, THE PHILIPPINES AND THAILAND.

2. THE PORTIONS OF THE ARTICLE REFERRING TO POSSIBLE DELIVERIES OF CHINESE OIL TO THE FRG ARE AS FOLLOWS: (INFORMAL TRANSLATION)

"IN CHINA'S FOREIGN POLICY PLANNING THE  
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POSSIBILITY OF OFFERING OIL FOR SALE TO  
THE FEDERAL REPUBLIC OF GERMANY HAS NOW

ARISEN. INDICATIONS IN THIS DIRECTION  
HAVE SURFACED IN RECENT DISCUSSIONS OF  
THE ENERGY CRISIS ACCORDING TO WHICH  
CHINA HAD BEEN REPROACHED BECAUSE OF  
THE FACT THAT THROUGH ITS SUPPORT OF THE  
ARAB "OIL WEAPON", IT AFFECTS LESS THE  
SUPER POWERS, THE SOVIET UNION AND THE  
UNITED STATES, AS IT HAD INTENDED THAN  
THE EUROPEAN COMMUNITY EVEN THOUGH THE  
LATTER, ACCORDING TO CHINA'S WISH,  
SHOULD BE POLITICALLY AND STRATEGICALLY  
STRONG ENOUGH TO RESIST THE INFLUENCE  
AND "EXPANSION" OF THE SUPER POWERS.  
CHINA, IT WAS STATED, THUS ACTED AGAINST ITS  
OWN DECLARED INTERESTS.

....PEKING HAS RECENTLY HELD OUT THE PROSPECT  
OF PETROLEUM TO AUSTRALIA AND NEW ZEALAND,  
THE STRONGEST INDUSTRIAL STATES IN ITS  
PACIFIC PERIMETER AFTER JAPAN. AND NOW IT  
FLOATED A TRIAL BALLOON FOR THE FEDERAL  
REPUBLIC AS WELL. ALL THREE CASES IMPLY  
NOT ONLY A DIPLOMACY DIRECTED TOWARDS THE  
"ACQUISITION OF GOOD WILL". IT ALSO  
REFLECTS THE NEW FOREIGN TRADE POLICY  
WHICH HAS ADJUSTED TO CHINA'S TECHNOLOGICAL  
IMPORT REQUIREMENTS IN A SITUATION OF  
RISING WORLD MARKET PRICES. CHINA'S  
PRESENT IMPORT FINANCING POTENTIAL HAS  
STRICT LIMITS; BUT ITS AMBITIONS FOR  
PROGRESS DEMAND THE "BIG LEAP". SINCE  
IT DOES NOT RELISH THE ACCEPTANCE OF CREDITS,  
IT HAS NO OTHER CHOICE BUT TO INCREASE ITS  
FOREIGN EXCHANGE RECEIPTS THROUGH ITS

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R 151723Z JAN 75

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INFO AMCONSUL HONG KONG

USLO PEKING

C O N F I D E N T I A L SECTION 02 OF 02 BONN 00695

LIQUID GOLD, PETROLEUM. IN RELATION TO  
THE FEDERAL REPUBLIC, OIL EXPORTS WOULD  
OFFER AN IDEAL DEPARTURE POINT FOR  
ABOLISHING CHINA'S CHRONIC TRADE DEFICIT  
-- PROVIDED THAT GRAVE TECHNICAL DELIVERY  
OBSTACLES IN THE COUNTRY ITSELF COULD BE  
OVERCOME.

....FOR THE FRG IT REMAINS TO BE SEEN  
WHETHER THE CHINESE TRIAL BALLOON WILL  
BE CONVERTED INTO A CONCRETE OFFER.  
EVEN IF SUPPLY POSSIBILITIES ARISE, THE  
TRANSACTION WILL REMAIN A CALCULATION  
PROBLEM WITH SEVERAL CURRENTLY UNKNOWN  
FACTORS WITH RESPECT TO LOADING  
CAPACITIES, THE SHIPPING VOLUME OF  
AVAILABLE TANKERS, AND THE GEOGRAPHIC  
DISTANCES.  
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3. BEGINCONFIDENTIAL. OUR ECONOMICS MINISTRY  
SOURCES DISMISS THIS REPUTED OFFER OUT OF HAND. THEY  
STATE THAT THE FEDERAL GOVERNMENT HAS NOT BEEN  
APPROACHED IN THE MATTER AND THEY ARE CONFIDENT THEY  
WOULD HAVE HEARD OF THE OFFER HAD IT BEEN MADE TO  
A PRIVATE FIRM.  
CASH

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## Message Attributes

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**Concepts:** PETROLEUM, SUPPLIES, PRESS COMMENTS, POLICIES  
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**Copy:** SINGLE  
**Draft Date:** 15 JAN 1975  
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**Disposition Approved on Date:**  
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**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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EO Systematic Review  
05 JUL 2006

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**Review Transfer Date:**  
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**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006